

FILED

AUG - 2 2018

U.S. DISTRICT COURT
EASTERN DISTRICT OF MO
ST. LOUIS

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

MARCHELL BENTON,

Defendant.

4:18CR644 HEA/PLC

INDICTMENT

COUNT ONE

The Grand Jury charges that:

1. At some time unknown to the Grand Jury but by at least January 1, 2013 and continuing until at least April 28, 2015 (the relevant timeframe), the defendant devised a scheme and artifice to defraud and to obtain money from the U.S. Department of Housing and Urban Development (HUD) by means of false and fraudulent promises, pretenses and representations.

2. Housing authorities across the United States are almost entirely funded with federal funding from the U.S. Department of Housing and Urban Development. Housing authorities administer much of HUD's Public and Indian Housing programs, such as the Housing Choice Voucher Program, commonly referred to as Section 8, and public housing. Housing authorities are quasi-governmental agencies that are governed by boards appointed by various community entities.

3. At all times relative to this indictment, Marchell Benton (Benton) served as the Executive Director of the Wellston Housing Authority (WHA). As the executive director, Benton was responsible for the day to day operations of WHA. Benton was responsible for the

collection of rent payments and recording of rent payments in HUD records. Throughout her tenure as executive director, there were often only two other full time employees.

4. It was part of the scheme to defraud that Benton fraudulently applied tenant rent payments in order to benefit herself and others. Specifically, Benton deposited paying tenants' rent money into her personal bank account. She then issued rent credits to the paying tenants in the housing authority's computer accounting system to conceal her fraudulent activity, or she applied another tenant's rent to the paying tenant's account and issued a rent credit to the other tenant.

5. Additionally, it was also part of the scheme to defraud that Benton fraudulently applied tenant rent payments to pay for relatives' rent. Specifically, Benton transferred rent payments from paying tenants to her family members' rent accounts. Benton then issued credits in the computer accounting system, altered HUD records to fraudulently adjust the rent due, and misrepresented the application of rents in housing authority records for the paying tenants' rent account to conceal her fraudulent activity.

6. On or about between January 1, 2013 and January 1, 2014, within the Eastern District of Missouri,

MARCHELL BENTON,

the defendant herein, being an agent of the Wellston Housing Authority (WHA), an organization and agency that, during calendar 2013, received benefits in excess of \$10,000 under HUD's Public and Indian Housing program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, did knowingly and intentionally embezzle, steal, obtain by fraud, without authority knowingly convert to the use of a person other than the

rightful owner, and intentionally misapply property worth at least \$5,000 which was owned by and under the care, custody, and control of the WHA.

In violation of Title 18, United States Code Section 666(a)(1)(A).

A TRUE BILL.

FOREPERSON

JEFFREY B. JENSEN
United States Attorney

DIANNA R. COLLINS
Assistant United States Attorney